GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2094
ANSWERED ON:04.08.2000
SOURCE OF INCOME OF SEBI
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Will the Minister of FINANCE be pleased to state:

(a) the sources of income of Securities and Exchange Board of India (SEBI);

(b) whether SEBI is to recover large sums as registration fees from many merchant bankers; and

(c) if so, how much amount is due from them and the measures have been taken to recover the same?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE. SHRI BALASAHEB VIKHE PATIL

(a) The sources of income of the Securities & Exchange Board of India (SEBI) include, inter alia, listing fee contribution from stock exchanges; fees from market intermediaries, bankers to issues, debenture trustees, foreign institutional investors, mutual funds, collective investment schemes, credit rating agencies; income from sale of publications; and income on SEBI`s investments and deposits

(b) & (c) As on March 31, 1999, an amount of Rs. 267.67 lakhs was due to SEBI as outstanding registration fees from merchant bankers. SEBI issued notices todefaulting merchant bankers for non payment of fees and simultaneously, initiated inquiries against 230 merchant bankers. Pursuant to inquiries, registrations of 6 merchant bankers were cancelled, 59 were suspended and warning letters were issued to 12. As a result of the action taken by SEBI, an amount of Rs. 37.79 lakhs was received during the year 1999-2000 and Rs. 14.93 lakhs during April 1 - July 31, 2000. Further, while considering the applications for registration of various intermediaries it is verified that there is no default in payment of registration fees to SEBI by the applicant company, its directorsor any of its associates in the past.